



**MACROECONOMIC INDICATORS**

Index	2016 Close (%)	Previous (%)	Current (%)	Change (%)
Inflation(CPI)	15.40	12.10	<b>11.90</b>	-0.20
Policy Rate	25.50	22.50	<b>21.00</b>	-1.50

**MACROECONOMIC TARGETS FOR 2017**

Index	(%)
Overall Real GDP(Including Oil) Growth	6.30
Non- Oil Real GDP Growth	4.20
An End of Year Inflation Target	11.20

**GOG TREASURY BILL RATES**

Fixed Income	Previous Week (%)	Current Week (%)	Change (%)
91 day	13.2006	13.1875	-0.0131
182 day	14.0669	14.1418	+0.0749
1 Year Note	15.0000	15.0000	0.0000

Source: Bank of Ghana

**GSE INDICES AS AT 08-09-17**

Index	Week Open	Week Close	Change	YTD (%)
GSE- CI	2,389.01	2,374.45	-14.65	40.58
GSE- FSI	2,201.52	2,114.69	-86.83	36.84

Source: Ghana Stock Exchange

**COMMODITIES MARKET**

Commodities	Week Open(\$)	Week Close(\$)	Change(\$)
Crude Oil (Brent)(\$/ barrel)	52.37	53.72	+1.35
Cocoa (\$/ tonne)	1,947.00	1,933.00	-14.00
Corn (\$/ bushel)	355.25	355.75	+0.50
Cotton (\$/ pound)	71.88	72.86	+0.98
Gold (Comex)(\$/ ounce)	1,340.70	1,341.00	+0.30

Source: Bloomberg

**INTERBANK FOREX RATES**

Currency	Buy (GHS)		Sell (GHS)	
	Week Open	Week Close	Week Open	Week Close
US (\$)	4.3972	4.4005	4.4016	4.4049
GB Pound (£)	5.6592	5.8029	5.6666	5.8092
Euro (€)	5.2197	5.2942	5.2232	5.2979

Source: Bank of Ghana

**FIXED INCOME SECURITIES**

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**NEWS HEADLINES**

**BOG PLANS GHC 400M MINIMUM CAPITAL**

The central bank has decided to increase the minimum stated capital requirement for commercial banks to GHS400 million, a more than 230% increment, the central bank has said. The central bank is said to have met the various heads of commercial banks Friday morning and told them they have up to December 2018 to meet the new minimum capital requirement. Discussions among stakeholders have been ongoing for months regarding what level of increment in minimum capital requirement the bank considers appropriate. The decision is said to have been arrived after extensive engagement with the industry's stakeholders who were initially divided over whether banks must be given a longer or shorter time to meet the proposed requirement. Industry analysts have persistently argued that the present minimum capital requirement is too low and as a result, the banks that exist lack the capital to undertake big ticket transactions that will support economic growth. The central bank last increased the minimum stated capital of the banks about a decade ago and the new move is expected to, among other things, engineer some form of mergers and acquisitions, just as some industry analysts have continuously demanded. There are currently 34 commercial banks operating in the country following the acquisition of Capital and UT banks by GCB Bank last month in a purchase and assumption transaction agreement.

Source: [www.thebftonline.com](http://www.thebftonline.com)

**MIXED REACTIONS MEET BOG NEW MINIMUM CAPITAL REQUIREMENT**

Some financial observers have expressed mixed reactions to the Bank of Ghana's decision to increase the minimum capital requirements for commercial banks. Though they largely subscribe to the need to intensify the regulation of the banking sector, the analysts believe the central bank ought to do more to strengthen Ghana's financial industry. The concerns come days after it emerged that the Bank of Ghana has increased the minimum capital requirement of banks to 400 million cedis. The official announcement is however expected to be made on Monday, September 11, 2017. The decision to review the minimum capital requirement is backed by the provisions of section 6 (2) of the Banking Act 2004 (ACT 673) which states that, 'The Bank of Ghana may by notice published in the Gazette, alter the capital requirements, as well as any other pre-licensing requirements.' Financial Analyst and CEO of Sam Bed Consult, Sam Bediako Asante believes the figure is lower as it may least affecting the attempts to achieve mergers and acquisitions. He however admits that the increase should position banks to undertake high ticket transactions. For Economist Dr. Lord Mensah of the University of Ghana Business School, the move poses a threat to the local economy as local banks are likely to be taken up by larger banks which will greatly distort government's funding needs in the long run.

Source: [www.citibusiness.com](http://www.citibusiness.com)

**IMF EXTENSION WILL BOOST INVESTOR CONFIDENCE—ECONOMIST**

Dr. Eric Osei-Assibey of the University of Ghana has lauded government for seeking extension of the three-year Extended Credit Facility (ECF) programme with the IMF, saying, the decision will boost investor confidence in the economy. Government last week reached an agreement with the IMF to extend the US\$918 million ECF programme for another year despite previous hesitations to do. Commenting on the development, Dr. Osei-Assibey said it was necessary and economically prudent for government to take a U-turn on its previous stance, considering, some investors were waiting for government's decision on the programme before they invest in the economy. "The development partners, potential investors, and credit rating agencies etc. we're all waiting to see how this new government will treat the IMF programme, and so anything on the contrary would have really brought this country down. So, I am happy that the two parties have sat down to extend this for another year to allow the new government to take time to shape this economy and to engender the confidence and credibility that economy needs. The extension will boost confidence in the economy because many investors were waiting to see how government was going to treat the IMF. Businesses are much more confident in an economy when IMF is around, particularly when you are in such a crisis and when things have not gone very well in the past." Source: [www.thebftonline.com](http://www.thebftonline.com)

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